



Estate Planning for Women

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Presented by

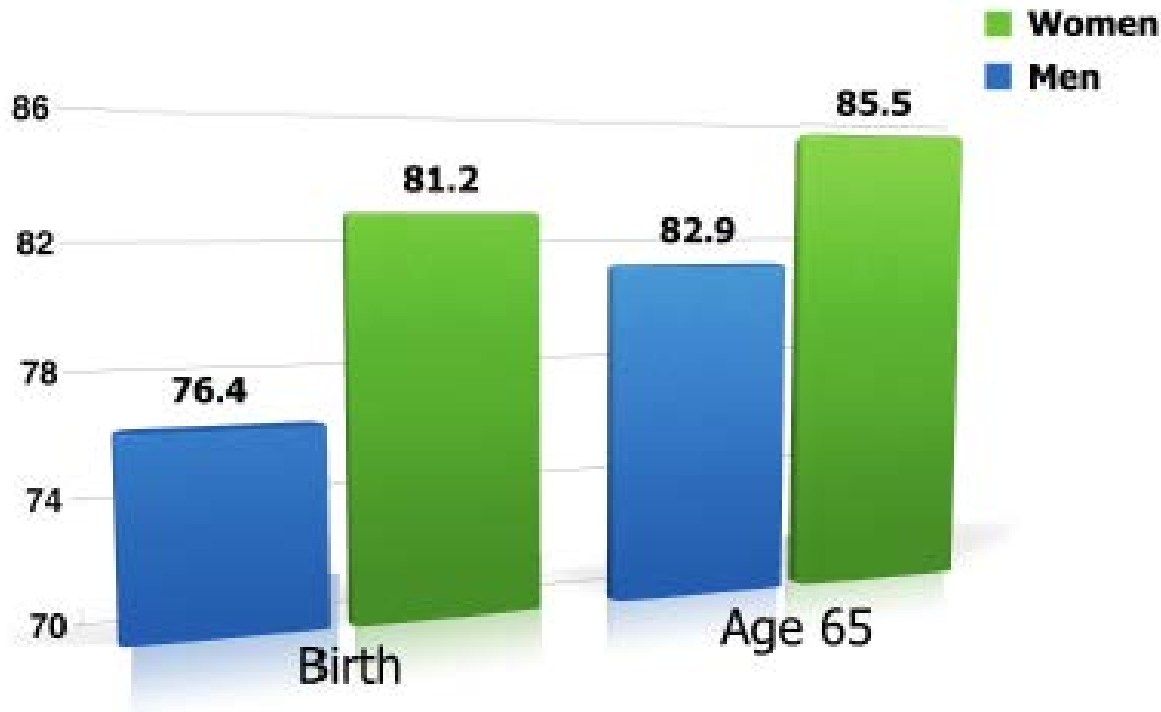
YASMIN CAUSER, CPA, PFS

Yasmin has over 20 years of experience in public accounting and specializes in helping families and individuals manage, monitor and evaluate their financial situation.

Why is it Important for Women?

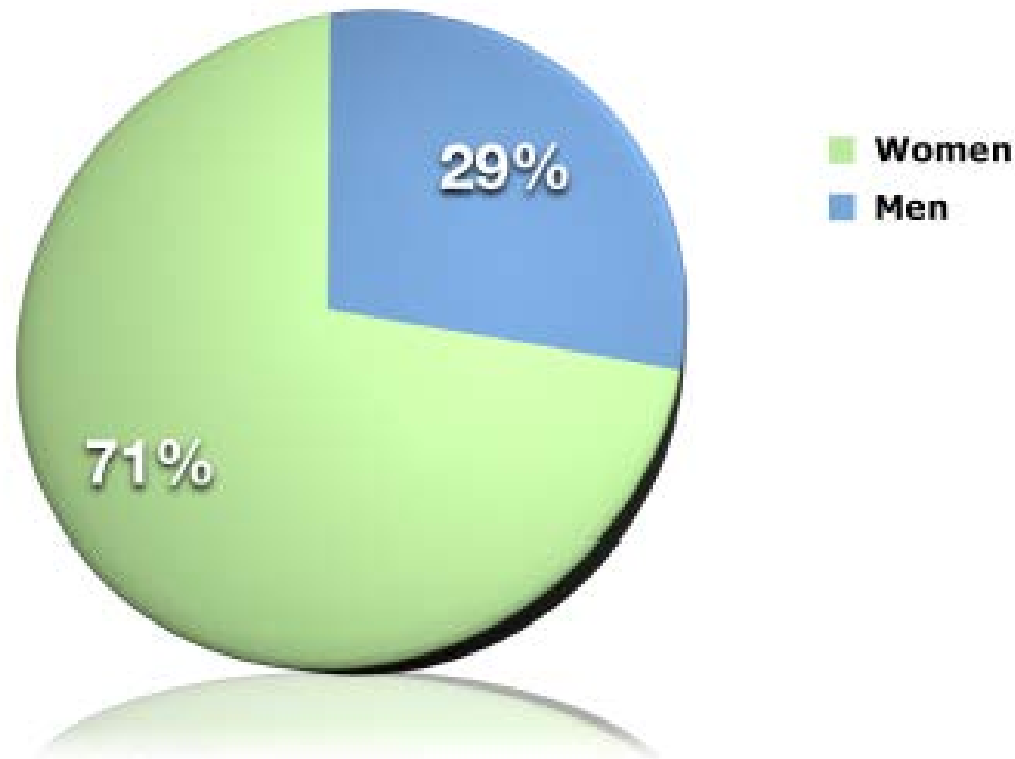
- Greater Life Expectancy
 - At birth women are expected to live 4.8 years longer and 2.6 years longer at age 65
- Greater Need for Financial Resources
 - 71% of the population in skilled nursing facilities are women
 - Of the 14.3 million widows and widowers, 11.2 million are women. 53% of them are above the age of 75

Life Expectancy by Gender at birth and Age 65



Source: National Center for Health Statistics Data Brief, No. 168, October 2014

Population Age 65 and Older in Skilled Nursing Facilities



Source: U.S. Census Bureau

What is Estate Planning and its Purpose?

- A map of how you want your financial affairs handled in case of **incapacity** or **death**
- Asset preservation
- Maintain family harmony

Estate Planning

Planning for Incapacity

- Healthcare
- Property Management
- Guardians

Planning for Death

- Lifetime Gifting
- Wills
- Probate VS. Non-probate
- Trusts
- Life Insurance

Planning for Incapacity

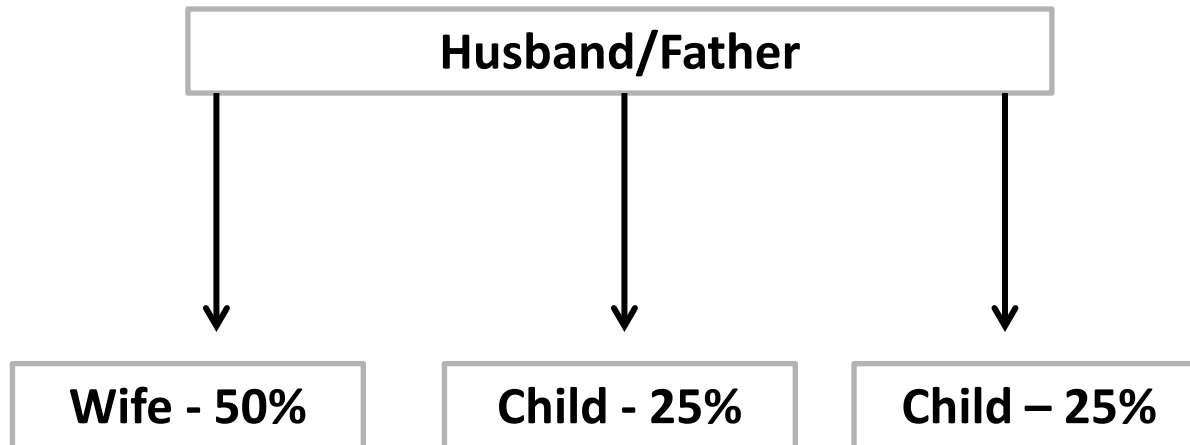
- Living Will
 - Instructions in writing
- Health Care Proxy
 - Designate an agent to make your decisions
- Do Not Resuscitate
 - Resuscitate measures be withheld or withdrawn
- HIPPA Authorization & Release
 - Authorizes the disclosure of the principal's protected health information.

Planning for Incapacity

- Durable Power of Attorney
 - Designated agent makes decisions on your behalf
- Living Trust
 - Lets a successor trustee take over management of trust property
- Joint Ownership
 - Has same access to property as you do

What Happens if You Die Without an Estate Plan

- Intestacy laws vary from state to state
- Typical pattern of distribution divides property between surviving spouse and children
- Your actual wishes are irrelevant





Estate Planning Documents

Estate Planning Documents

- Will: Communicates wishes registered with Probate Court
- Trust: Legal relationship where property is held by one person (the Trustee) for the benefit of another (the beneficiary)

Trusts

- Revocable Trust: a trust that might be amended or revoked during the grantor's lifetime
- Irrevocable Trust: A trust that once established cannot be amended or revoked by the grantor

Estate and Gift Tax Rates



Estate and Gift Tax Rates

- Federal Estate Tax Rate: 40%
- Federal Gift Tax Rate: 40%
- Massachusetts Estate Tax Rate:
 - Slides from 5.6% (at \$1M) to 16% (at \$10M)
- Massachusetts Gift Tax: 0%
- Generation Skipping Tax: 40%



Massachusetts Estate Tax

Husband's Estate
\$1.5 million

No tax at
Husband's
death

Wife's Estate
\$500,000
+
Husband's
\$1.5 million

Assume both spouses have
wills and a combined estate
of \$2 million.

Tax at Wife's death

Total to Family
\$1.9 million

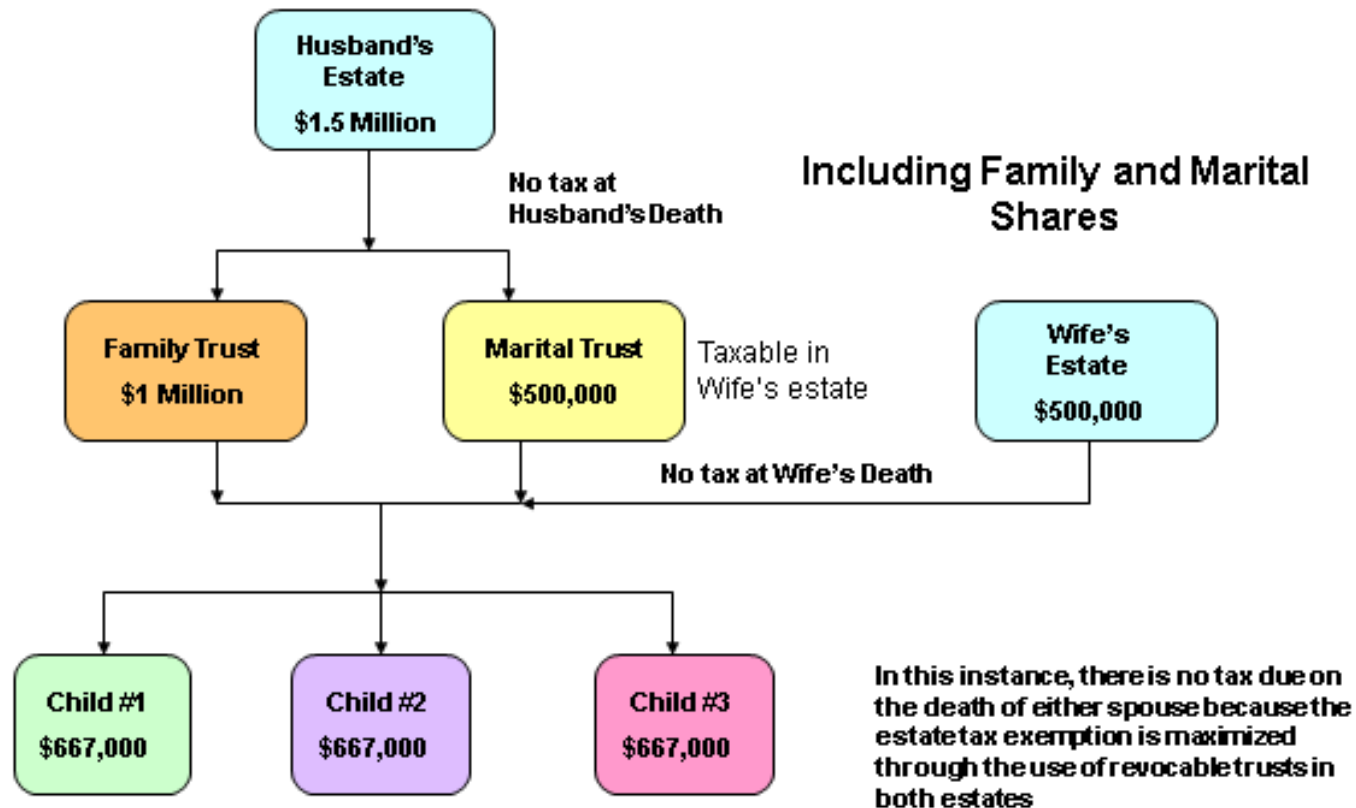
Tax = \$100,000

At each spouse's death, he or she leave the entire amount of his or her estate to the other. There is no tax in the estate of the first to die, because the entire amount qualifies for the Marital Deduction.

However, the estate of the second spouse to die is not exempt from Massachusetts estate tax because the Estate Tax Exemption is on \$1 Million.

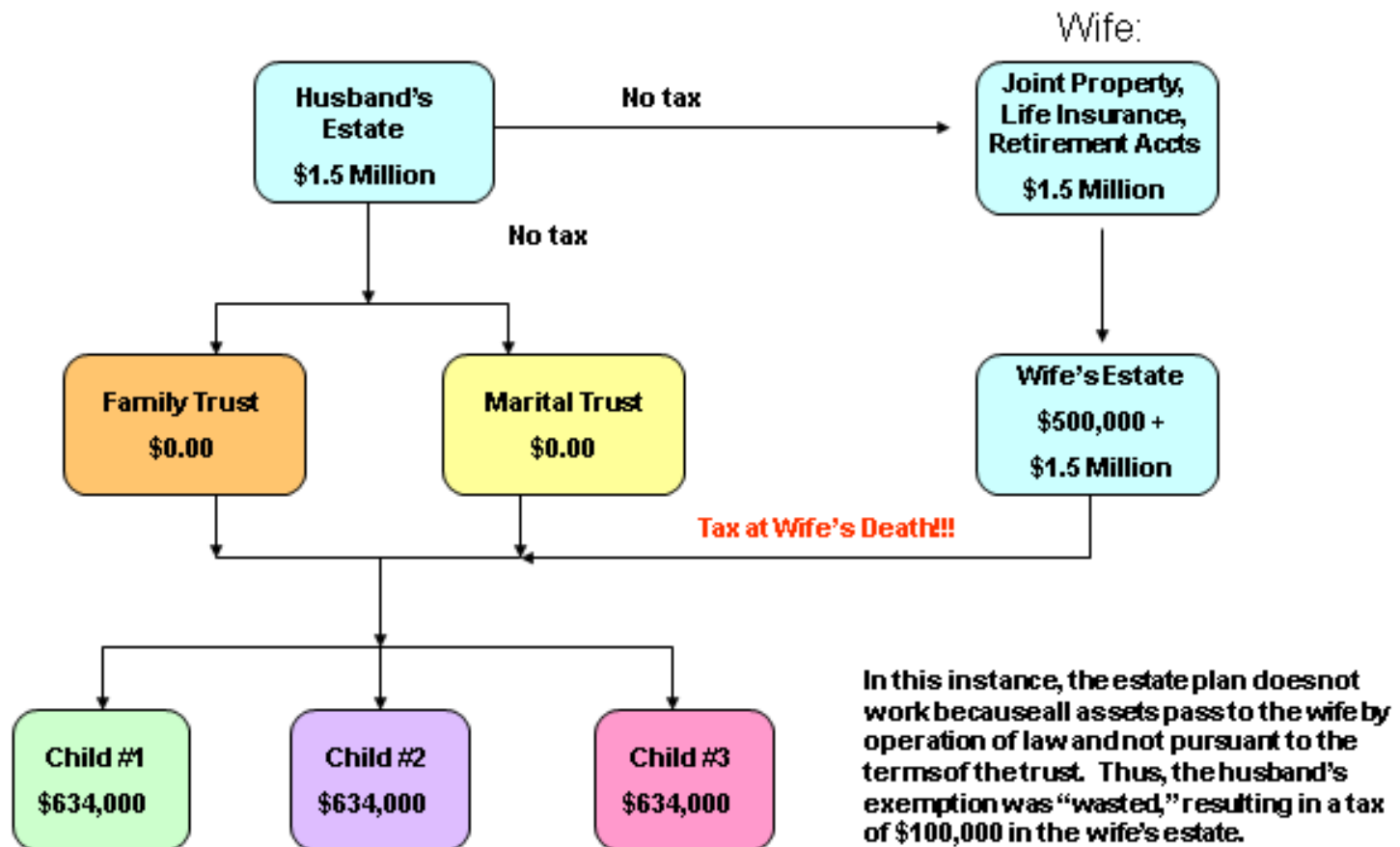
Consequently, the entire value of the property is taxed in the estate of the surviving spouse, resulting in a tax of approximately \$100,000.

Will With Revocable Trust



By using revocable trusts, the family saves \$100,000 in taxes, thus resulting in an extra \$33,000 per child

Ownership Matters!



Enough assets should be titled in each spouse's individual name in order to maximize each spouse's exemption.



Important Estate Planning Tools



Important Estate Planning Tools

- Lifetime Gifting
 - Annual Exclusion
 - Medical
 - Education
- Marital Deduction
- Portability
 - Not available for Generation Skipping Tax

Steps to Estate Planning Success

STEP SIX:

Annual review

Keep your estate plan fresh

STEP FIVE:

Create a plan

Sign necessary documents
Purchase necessary insurance
Make changes as needed

STEP FOUR:

Recommendations

Review team suggestions

STEP THREE:

Examine the Data

Determine if current needs are being met
Determine if future needs have been contemplated

STEP TWO:

Fact Finding

Assets/Liabilities
Insurance Plan
Charitable Plan

Health –Care Proxies
Trusts
Beneficiaries

Goals
Power of Attorneys
Wills

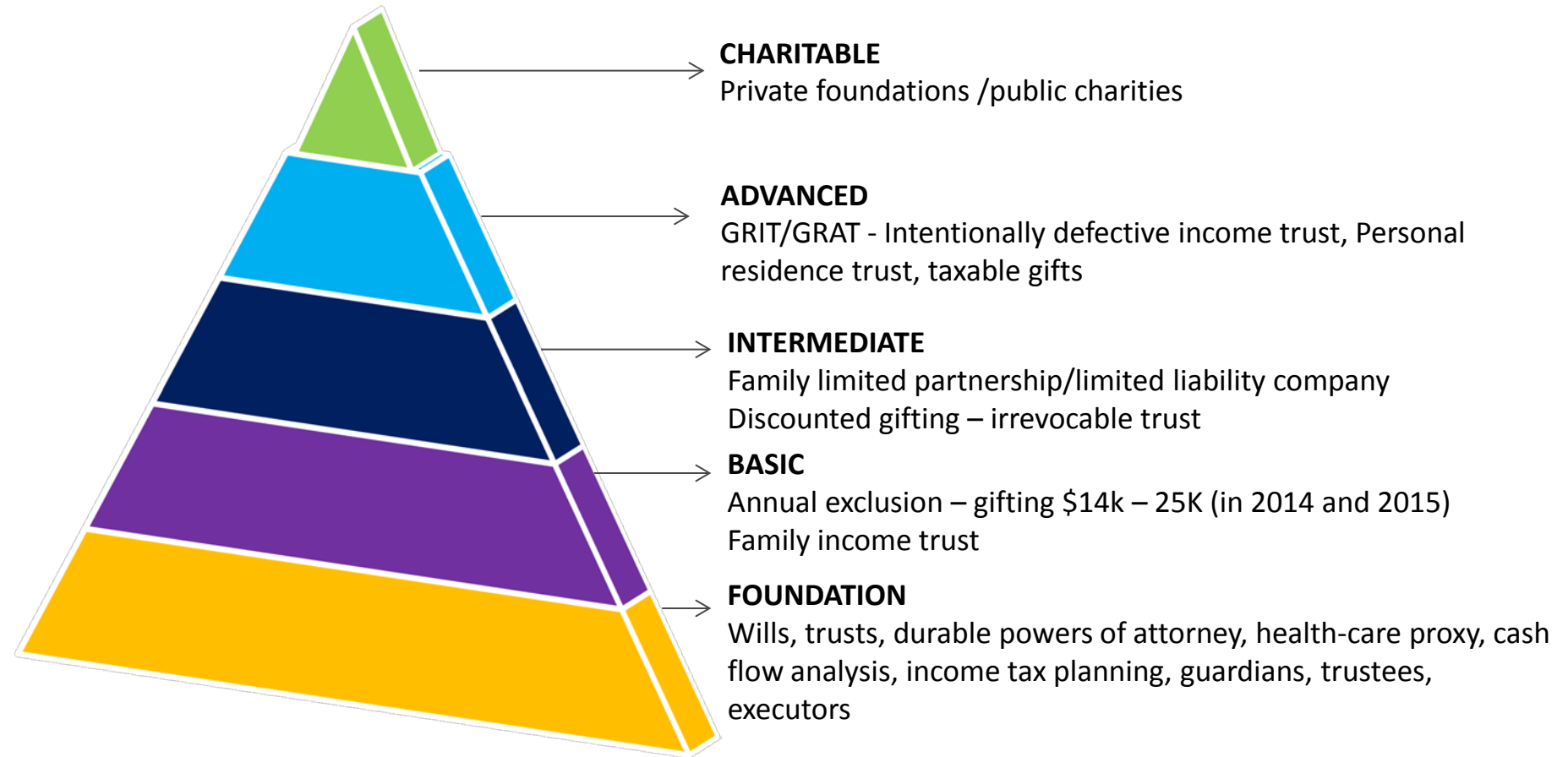
STEP ONE:

Pick a winning team

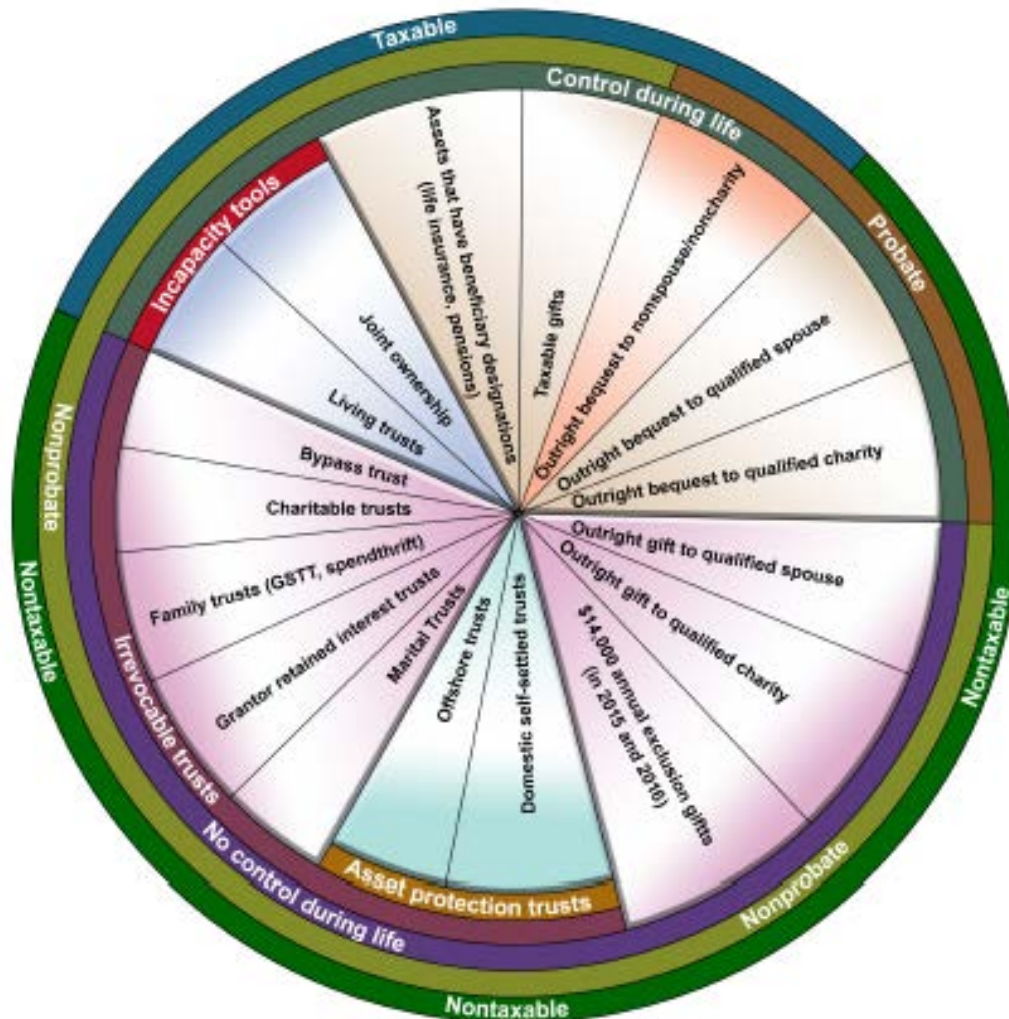
Accountant
Attorney
Trustee

Financial Planning Professional
Tax Advisor
Insurance Professional

Estate Planning Pyramid



The World of Estate Planning



Any Questions?

Let's Connect!

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